

Message Text

UNCLASSIFIED

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73

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /066 W

----- 039062

R 231825Z JUL 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 1522

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

UNCLAS GEORGETOWN 1168

E.O. 11652: N/A

TAGS: EINV, GY

SUBJECT: GOG ENTERS JOINT VENTURE WITH U.S. FIRM TO CONSTRUCT
TWO GLASS FACTORIES

1. GOG'S SMALL INDUSTRIES CORPORATION (SIC) RECENTLY SIGNED AGREEMENT WITH GENERAL GLASS EQUIPMENT CO; INC; OF ATLANTIC CITY, NEW JERSEY, FOR ESTABLISHMENT OF TWO GLASS MANUFACTURING PLANTS IN GUYANA. FACTORIES TO BE LOCATED IN LINDEN/SOESDYKE HIGH WAY AREA WHERE THERE ARE NATURAL DEPOSITS OF HIGH QUALITY SAND. ONE FACTORY DESIGNED TO PRODUCE SHEET GLASS FOR EXPORT TO CARICOM. OTHER WILL MANUFACTURE BOTTLES FOR DOMESTIC USE INITIALLY. ENGINEERS FROM GENERAL GLASS EQUIPMENT SCHEDULED TO ARRIVE HERE AT END OF MONTH TO DESIGN PLANT FACILITIES. CONSTRUCTION LEAD-TIME ESTIMATED EIGHTEEN MONTHS.

2. GENERAL GLASS WILL HAVE MINORITY EQUITY (15 PERCENT) AND WILL PROVIDE ALL EQUIPMENT. ACCORDING TO SIC SPOKESMAN THE U.S. FIRM'S INVESTMENT WILL BE ABOUT US DOLS ONE MILLION. TOTAL COST OF PROJECT US DOLS SIX MILLION. GOG EXPECTS TO HANDLE FINANCING LOCALLY. AGREEMENT ALSO GIVES GENERAL GLASS FIVE-YEAR MANAGEMENT CONTRACT WHICH INDICATES GOG HAS ASSUMED MORE REALISTIC ATTITUDE TOWARD JOINT VENTURE WITH FOREIGN PRIVATE FIRMS.

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3. COMMENT: THIS AGREEMENT IF CARRIED OUT WILL REPRESENT FIRST SIGNIFICANT U.S. PRIVATE VENTURE IN GUYANA SINCE 1969. MORE IMPORTANTLY IT COULD DEMONSTRATE TT PRIVATE FOREIGN INITIATIVE CAN SUCCEED WHERE GOVT-TO-GOVT PROJECTS ONLY LANGUISH. WE REFER SPECIFICALLY TO FACT THAT PRC LOAN OF 1972 INCLUDED PLANS TO ESTABLISH SHEET GLASS FACTORY, AS WELL AS TEXTILE MILL. THUS FAR NOT A PANE OF GLASS NOR BOLT OF CLOTH IS PRODUCED IN GUYANA.

4. ACTION REQUEST: EMBASSY WOULD APPRECIATE DEPT ASCERTAIN WHETHER GENERAL GLASS HAS APPROACHED OPIC ON THIS INVEST-MENT. KREBS

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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